

FLA Audit Profile															
Country	USA														
Factory name	12008284C														
IEM	ALGI														
Date of audit	September 22, 2004														
Days in the facility	2														
PC(s)	Reebok														
Number of workers	45														
Product(s)															
Production processes	Silk Screening, Embroidering														
	Findings							Remediation						Company Verification Follow up	
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response	Completion Date	Documentation Submitted	Company Follow Up and Verification Efforts	Documentation
1. Code Awareness															
2. Forced Labor															
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.															
3. Child Labor															
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.															
4. Harassment or Abuse															
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.															
Gender Sensitive Security		Security practices will be gender-appropriate and non-intrusive.	Handbook does not indicate gender appropriate searches in section discussing security	Handbook, management interview	Yes			(a) Factory will update security section of the worker handbook to include policy indicating gender appropriate searches. (b) Factory will communicate policy to workers, both verbally and in writing.	11/1/2004	Please submit updated handbook and evidence that employees have been communicated the security policy.	(a) Handbook has been updated to include gender appropriate and non-intrusive worker search policies. (b) Submitted evidence of its communication to workers to Reebok monitor.	11/22/2004	(a) Worker handbook submitted to Reebok monitor. (b) Evidence of communication both verbally and in writing submitted to Reebok monitor.  Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by FLA visited the factory on March 23, 2005 and found factory continues be in compliance with its worker handbook efforts. Moreover, no new instances of intrusive worker searches were present at the time. This was verified in meetings with workers.	External audit report submitted by Cal Safety Compliance Corp.
5. Nondiscrimination															
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.															
6. Health and Safety															
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.															
Evacuation Procedure	OSHA - 1910CFR29	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Stairway does not have emergency lighting.	Observation, management interview	Yes			(a) Factory will install emergency lighting in the stairwell to be in compliance with the RHRPS (Reebok Human Rights Production Standards) and OSHA 1910CFR29. (b) Factory will designate an individual responsible for assuring that the emergency lighting is in working condition on a regular basis.	(a) 11/1/2004 (b) Ongoing.	(a) Please submit a picture showing that the lighting is installed and in working condition. (b) Please submit the factory's plan to ensure ongoing compliance.	Factory installed functioning emergency lighting	(a) November, 2004 (b) Pending	(a) Factory submitted picture to Reebok monitor. Documentation is maintained in Reebok's internal files by Reebok monitor. (b) Management has assigned someone from administration to follow up on factory compliance issues (***)	External monitor accredited by FLA visited factory March 23, 2005 and found that factory continues be in compliance with emergency lighting requirements. Moreover, no new instances of insufficient emergency lighting was present at the time. This was verified by visual inspection of the facility.	External audit report submitted by Cal Safety Compliance Corp.
Evacuation Procedure	OSHA - 1910CFR29	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Fire drills are not conducted.	Employee and management interviews	Yes			(a) Factory must complete a fire drill immediately in order to maintain Reebok approval designation status. (b) Factory will implement a fire safety program that involves 3 key elements: 1) minimizing fire hazards, 2) planning for emergency action, 3) training, for ongoing compliance with fire safety standards.  Please see page 20 of RHRPS. (Please note Reebok requires fire plan to include minimum of 4 emergency evacuation drills per year, at least 2 unannounced.)	(a) 11/1/2004 (b) 11/29/2004	(a) Please submit fire drill log. (b) Please submit a fire safety program plan.	(a) Conducted fire drill (b) Factory developed, and submitted to Reebok a fire safety plan. Worker safety training program conducted (under the plan) led by a worker safety committee	November, 2004	(a) Fire drill log submitted to Reebok monitor (b) Fire safety plan submitted to Reebok monitor  Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the factory continues be in compliance with fire safety plan. The last fire drill was conducted on 2/17/05 and list of all employees present. This was verified by company records.	External audit report submitted by Cal Safety Compliance Corp.
Safety Equipment	OSHA - 1910CFR29	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Sprinkler heads and electric outlet were lint covered	Observation, management interview	Yes			(a) Factory will complete maintenance of sprinkler heads and electrical outlets in order to be in compliance with RHRPS and OSHA 1910CFR29. (b) Factory will designate an individual responsible for ensuring ongoing compliance and maintenance.	11/29/2004	(a) Please submit photo or other documentation evidence that sprinkler and outlet maintenance has been completed. (b) Please submit factory's plan to ensure ongoing compliance.	a) Sprinkler maintenance clean up was conducted on the second half of December b) Management has assigned someone responsible for factory compliance (**administration).	Pending	Schedule of factory maintenance submitted to Reebok monitor  Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the factory continues be in compliance with these OSHA Requirements. This was verified by visual inspection of the facility.	External audit report submitted by Cal Safety Compliance Corp.

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PPE	OSHA - 1910CFR29	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Although provided by employer, PPE is not always utilized by workers as required.	Observation, management interview	Yes			Factory will make it a condition of employment that workers wear the required PPE and enforce PPE where required. Please see page 34 of RHRPS guide.	11/1/2004	Please submit plan outlining the process by which the factory will ensure compliance with RHRPS.	Quarterly meeting conducted to discuss individual safety training and PPE use and has assigned someone responsible for factory compliance.	November, 2004	Plan for ongoing PPE training and use enforcement submitted to Reebok monitor.  Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and reported no new violations of non PPE use. This was verified by visual inspection of the facility.	External audit report submitted by Cal Safety Compliance Corp.						
Sanitation in Facilities	OSHA - 1910CFR29	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	1 waste receptacle was not fire resistant as required.	Observation, management interview	Yes			Factory will replace waste receptacle with one that is fire resistant, in order to be in compliance with local law.	11/1/2004	Please submit photo evidence of compliance, as well as documentation proving waste receptacle is fire resistant.	Waste receptacle has been replaced with a fire resistant one.	12/23/2004	Photo and purchase documentation submitted to Reebok monitor. Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the factory continues to use the fire resistant waste receptacle. This was verified by visual inspection of the facility.	External audit report submitted by Cal Safety Compliance Corp.						
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees.	There is no worker involvement in Health and Safety management.	Employee and management interviews	Yes			(a) Factory safety begins with proper worker training. Workers should receive a general orientation to factory safety practices, as well as instruction particular to their work area and tasks. (b) The factory will develop a worker safety committee.	(a) Ongoing.  (b) 11/1/04	(a) Please submit plan that details procedures factory uses to train workers on health and safety management. Please include plan for ongoing training. (b) Membership and structure of worker safety committee	(a) Management conducted worker safety training (b) Worker safety committee formed	November, 2004	Training plan for worker safety submitted to Reebok monitor. Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the worker safety committee meets on a quarterly basis. Agenda of the meetings was verified by company records which indicated last meeting was on 02/17/05.	External audit report submitted by Cal Safety Compliance Corp.						
Ventilation/Electrical/ Facility maintenance		All ventilation shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	Some employees stated during interviews they get headaches.	Employee interviews	No			While it is a leap to jump to conclusion that headaches are result of poor ventilation, based solely on worker interviews, it is recommended that factory get a qualified expert to determine whether ventilation is adequate in building and in compliance with all applicable laws/RHRPS and do not pose health or safety threat to employees. Please report on your findings.	(a) 11/1/04  (b) 11/29/04	Please submit results of investigation by qualified expert.	It is difficult to determine headaches are result of poor ventilation at this facility. Gathered information and physical inspection of factory ventilation reveals factory complies with Reebok ventilation requirements. There are 3 large doors (1 used as loading dock 3.5 meters wide and 1 emergency exit door 4 meters wide) Both doors remain open during working hours. In addition, 4 industrial fans are kept "on" during working hours.	12/23/2004	Factory ventilation systems on file with Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that all workers have access to medical information and procedures. This was verified by reviewing company records and worker interviews.	External audit report submitted by Cal Safety Compliance Corp.						
7. Freedom of Association and Collective Bargaining																					
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																					
8. Wages and Benefits																					
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.																					
Wage and Benefits Information Access	CA labor law	In general, workers will have access to understandable information about their wages and benefits, and will not express dissatisfaction with their ability to get information.	Handbook erroneously omits the fact overtime wages are paid on any day an employee works over 8 hours	Handbook, management interview	Yes			(a) Factory will update handbook to detail an overtime policy that indicates workers will be paid overtime for work over 8 hours in any 1 day. (b) Employees must be communicated the addition of policy to the handbook. Factory will distribute handbook and inform workers of policy.	11/1/2004	(a) Please submit the updated worker handbook. (b) Please provide evidence that employees have been communicated the overtime policy.	The worker handbook has been enhanced to include language that explains overtime wages and conditions. New handbook has been distributed to workers.	11/22/2004	(a) The worker handbook submitted to Reebok monitor (b) Evidence of communication to employees submitted to Reebok monitor.  Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that employees are "required to accept overtime as a condition of employment." The factory management has been advised to include its overtime policy in the worker handbook, as well as to include language on overtime wages.	External audit report submitted by Cal Safety Compliance Corp.						
Time Recording System	FLSA, CA labor law	Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	Employer's daughter is a part time non-exempt employee, but does not record her hours worked	Time records, payroll register, management interview	Yes			Factory must maintain accurate and reliable records of all hours worked by non-exempt employees, as defined by CA Labor laws and US federal law, in order to ensure all non-exempt workers are paid proper regular and overtime wage for each respective hour worked in compliance with FLA, RHRPS, US federal and CA labor laws.	11/1/2004	Please submit (a) pertinent payroll records (b) policies and procedures for maintaining records.	Employer's daughter is no longer at factory. Management has committed that if similar situation arises again, they will have that person use the timecard system. Payroll records submitted to demonstrate proper payment of wages to employer's daughter.	12/23/2004	Payroll records submitted to Reebok monitor. Documentation is maintained in Reebok's internal files by Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the factory continues be in compliance with FLA, RHRPS, US federal and CA labor laws. Moreover, no new instances were found. This was verified by management interviews and documentation review.	External audit report submitted by Cal Safety Compliance Corp.						

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Illegal Holding of Funds	FLSA	All voluntary deductions (savings clubs, loan payments, etc.) will be credited to proper accounts and funds will not be held illegally or inappropriately by employers.	Employer withholds amounts in excess of legally permissible maximum for loan repayment	Payroll register, personnel file, management interview	Yes			The factory will comply with local law (FLSA) regarding Illegal Holding of Funds.	11/1/2004	Please submit to Reebok a plan documenting factory requirements under FLSA and compliance with these requirements.	Management has revised loan request and repayment schedule to deduct a maximum of 10% of worker's weekly earnings for payments of worker loans, in accordance with FLSA guidelines.	12/23/2004	Copy of factory policy submitted to Reebok monitor.	External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the factory continues be in compliance with FLA, local labor laws. Moreover, no new instances of over withholding of funds. This was verified by documentation review.	External audit report submitted by Cal Safety Compliance Corp.							
Record Maintenance	BCIS	All legally required payroll documents, journals and reports will be available complete, accurate and up-to date. (In United States, terms this would include W-4s, I-9s, green cards, 941s and supporting material.)	Some I-9's are incomplete and work authorization needs updating	I-9's, management interviews	Yes			Please comply with local law regarding legally required payroll documents. (a) Factory will complete all necessary employee paperwork, including I-9's and authorizations. (b) Factory will designate an individual responsible for maintaining payroll documentation in order to ensure ongoing compliance.	10/29/2004	(a) Please submit copies of completed records. (b) Please submit documentation indicating the responsible individual.	(a) Management advised they will be able to obtain necessary information to fill out I-9 forms for all employees by year end (b) Management has assigned someone to oversee all compliance related issues (***)	Pending		External monitor accredited by the FLA visited the factory on March 23, 2005 and found that the I-9s are incomplete and not in compliance with immigration law. Factory management has been advised to complete all I-9s with new updated information.	External audit report submitted by Cal Safety Compliance Corp.							
Other							Employer provides benefits that are not legally required, such as health insurance, pension plan, paid vacation, paid holidays, paid personal time.															
9. Hours of Work																						
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.																						
10. Overtime Compensation																						
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																						
Miscellaneous																						
Legal Compliance	CA. labor law - All apparel manufacturers and contractors must obtain annual apparel registration certificate.	All manufacturers and contractors must obtain annual Apparel Registration Certificate	Employer does not have current Apparel Registration Certificate - expired 2001	Visual observation, CA labor dept data base, management interview	Yes			(a) The employer will immediately acquire an Apparel Registration Certificate. (b) The employer will also develop a plan to maintain this Certificate to prevent expiration.	11/1/2004	(a) Please submit a copy of the current Apparel Registration Certificate. (b) Please submit employer's plan to ensure that the certificate does not expire in the future.	(a) Copy of the current Apparel Registration Certificate acquired. Factory received manufacturer license on January 7, 2005. (b) Jan 5, 2005: Factory management has assigned someone responsible on following up on compliance issues (***-administration)	November, 2004	On file with Reebok monitor	External monitor accredited by the FLA visited the factory on March 23, 2005 and found the factory to be in compliance with local CA law. This was verified by documentation review.	External audit report submitted by Cal Safety Compliance Corp.							